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Intuit Small Business Employment Index Shows Slower Job Growth in July; Wages and Hours Worked Increased

Monthly Report Now Shows Geographic Breakdown; Job Growth Fastest in Mountain States

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Small business employment grew slightly in July, but at a slower rate than in the past, while wages and hours worked by employees increased at a much faster pace.

Those were among the findings included in the latest Intuit Inc. (Nasdaq:INTU) Small Business Employment Index. The monthly report, which now includes a geographical breakdown on hiring trends, found that small business employment grew by 0.2 percent in July, equating to a 2.4 percent annual growth rate. The Index is based on figures from the country's smallest businesses that use Intuit Online Payroll.

This translates to approximately 40,000 new jobs nationwide in July, a decrease from June's revised estimate of 45,000 jobs. Since the growth trend began in October 2009, small business jobs have increased by 330,000.

The Index's new geographical measurement also revealed that small business employment is slightly up across most of the country. Although the pace of job growth slowed in July, both wages and hours worked increased by 0.7 and 0.9 percent respectively.

"While employment is up this month, it is, like last month, up less than the month before," said Susan Woodward, the nationally recognized economist who worked with Intuit to create the Index. "While this slower growth rate is disheartening, the news is not all bad. Both compensation and hours worked are dramatically up, while employment is slightly up across most of the country. These latter signs indicate a continued general recovery despite slowing growth in employment."

Substantial Increases in Compensation, Hours Worked

The data shows that workers made more money and worked longer hours. Compensation grew by 0.7 percent in July to $2,624 per month, up from a revised estimate of $2,606 per month in June.

Monthly hours worked also increased significantly by 0.9 percent in July to 109.1 hours, compared to a revised estimate of 108.2 hours in June. This translates to wages of about $31,500 per year for all employees, and a 25.2-hour work week for hourly employees.

"This is a big increase for compensation which, on an annual basis, would be nearly 10 percent per year," Woodward said. "With inflation running so low, this is a substantial increase in real compensation. The increase in hours worked is also large -more than 10

percent if carried out over an entire year. It appears that small businesses are busy, and need additional help, but are asking their existing people to work more hours rather than hiring more people."

Small Business Employment by Geography

The latest installment of the Intuit report also breaks down employment by divisions and states across the country. Mountain states saw the largest increase by percentage, followed by the South Atlantic and Pacific Coast. For the states in which the Index has more than 1,000 small firms represented, Maryland saw the greatest growth while New Jersey is the only state that saw a slight decrease in employment.

"Providing small business employment data by geography paints a clearer picture of where growth is occurring," said Cameron Schmidt, vice president of Intuit's Employee Management Solutions division. "It's good to see a slight increase in employment growth for July in most parts of the country."

U.S. Census Division	Percent Change in Employment	State	Percent Change in Employment
East North Central	-0.1%	Arizona	0.3 %
West North Central	-0.2%	California	0.3 %
Middle Atlantic	0.0%	Florida	0.2 %
Mountain	0.3%	Georgia	0.3 %
New England	0.2%	Illinois	0.1 %
Pacific	0.2%	Maryland	0.5 %
South Atlantic	0.3%	Massachusetts	0.4 %
East South Central	0.1%	New Jersey	-0.3 %
West South Central	0.1%	New York	0.1 %
		North Carolina	0.4 %
		Texas	0.1 %
		Virginia	0.4 %
		Washington	0.3 %

About the Index

The Intuit Small Business Employment Index is based on aggregate and anonymous online employment data from approximately 62,000 small business employers each with fewer than 20 employees. These small businesses use Intuit Online Payroll from Intuit, the No. 1 provider of payroll software with more than 1 million customers. These smallest employers

are important to the economy as they comprise 87 percent of the total U.S. private employer base and employ nearly 20 million people. More information is available at: www.intuitinc.com/payrollindex.

Intuit reports data for three categories: small business employment, compensation and hours worked. Intuit will analyze and publish the data at the beginning of each month. The index also includes employment data broken down by geography. As with the government data, there may be revisions to the Intuit index numbers. These revisions are partly due to calculations using the latest month of new Intuit data. These calculations include re-computing seasonal factors and the moving average process used to obtain the curve, which can change the values for previously reported months. Changes to the data are also due to revisions to the government employment data, which is used to calculate the Intuit index.

While the Intuit Small Business Employment Index offers macroeconomic insight about the economy generally, it does not indicate or represent changes in Intuit's business results for any period.

The Index data reflects monthly employment activity in small businesses, and is adjusted to account for changes in Intuit's Online Payroll customer base. The percent change is measured monthly using the change in employment for existing Intuit Online Payroll customers from one month to the next. The set of customers changes each month so the measurement is the change, for each pair of months, for customers who are present in both the earlier and the later month.

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